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BUILDING A 100 PERCENT CLEAN ECONOMY: SOLUTIONS FOR THE U.S. POWER SECTOR

WEDNESDAY, OCTOBER 30, 2019

House of Representatives,

Subcommittee on Energy,

Committee on Energy and Commerce,

Washington, D.C.

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The subcommittee met, pursuant to call, at 10:30 a.m., in Room 2322, Rayburn House Office Building, Hon. Bobby L. Rush [chairman of the subcommittee] presiding.

Present: Representatives Rush, Peters, Doyle, Sarbanes, McNerney, Tonko, Loeb sack, Butterfield, Welch, Schrader, Kennedy, Veasey, Kuster, Barragan, O'Halleran, Blunt Rochester, Pallone (ex officio), Upton, Latta, Rodgers, McKinley, Kinzinger, Griffith, Johnson, Bucshon, Flores, Hudson, Walberg, Duncan, and Walden (ex officio).

Staff Present: Adam Fischer, Policy Analyst; Jean Fruci, Energy and Environment Policy Advisor; Catherine Giljohann, FERC Detailee; Waverly Gordon, Deputy Chief Counsel; Omar Guzman-Toro, Policy Analyst; Caitlin Haberman, Professional Staff Member; Rick Kessler, Senior Advisor and Staff Director, Energy and Environment; Brendan Larkin, Policy Coordinator; Jourdan Lewis, Policy Coordinator; Elysa Montfort, Press Secretary; Alivia Roberts, Press Assistant; Tim Robinson, Chief Counsel; Nikki Roy, Policy Coordinator; Tuley Wright, Energy and Environment Policy Advisor; Rebecca Tomilchik, Staff Assistant; Mike Bloomquist, Minority Staff Director; Peter Kielty, Minority General Counsel; Mary Martin, Minority Chief Counsel, Energy and Environment and Climate Change; Brandon Mooney, Minority Deputy Chief Counsel, Energy; Brannon Rains, Minority Legislative Clerk; and Peter Spencer, Minority Senior Professional Staff Member, Environment and Climate Change.

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Mr. Rush. The chair now recognizes Mr. Kinzinger for five minutes.

Mr. Kinzinger. Thank you, Mr. Chairman.

Thank you all for being here.

I think the best way to address climate change is by reducing not only our Nation's carbon emissions but that of the rest of the world. The changes pose both short and long term challenges that I believe can be addressed in two major ways.

First, we need diversity in our energy resources. Energy diversity is energy security. This is comparative to one's own personal investment strategies. When you are looking to invest, you don't put all of savings in one stock and let it ride. You diversify your investments into various funds. Similarly this nation cannot afford to put all its eggs in one basic.

Second, we need to support market-driven innovations to develop new clean energy technologies that will put the U.S. at the forefront of environmental technology. My district, the 16th District in Illinois, is a great example of what it can look like. My district and really the whole State of Illinois is home to a broad array of energy sources.

Nuclear generators provide the most abundant, clean, and stable source on the plant; and my district's home to four nuclear generating stations, in addition to hundreds of wind turbines, solar powers, geothermal sources, and others. These diverse sources not only provide yearend reliable clean energy but have produced high paying jobs for my constituency.

While some may say that the U.S. needs to be a leader on reducing emission and combatting climate change, I would say we actually already are.

Since 2005, global emissions have increased by 20 percent, while the growth rate

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of United States emissions has decreased by more than the next twelve emission-reducing countries combined. It is going to take a major innovation and breakthroughs to not only reduce our emissions here at home but also convey this ability to others around the world.

All Americans want to be good stewards of their environment, and this desire drives markets. Tesla doesn't sell cars because of the sound system or you want to put solar panels on their roof because they look good. It is just smart.

So if there is one thing I noticed in each of the witness' testimonies, it is that everyone either strongly supports nuclear energy or at least recognizes that it is not reasonably possible to achieve emissions reductions goals in the near term without it.

So, Mr. Matheson, let me ask you. As you know, nuclear is an important source of baseload emission power for many co-ops. Would it be possible to continue making sustained emissions reductions if we don't maintain a strong nuclear fleet?

Mr. Matheson. I think you can't do that, and I also think you have a reliability concern if you don't maintain that fleet as well.

Mr. Kinzinger. Yeah, I think you are right.

Mr. Bear, your testimony shows that you are resource planning for upwards of 40 percent renewable energy. Can you talk about how much wind would you have to bring online that replace the premature closure of a nuclear plant?

Mr. Bear. We haven't looked at it that way because they are not equivalent.

Mr. Kinzinger. But it does produce X amount of power. In theory, if you bring a plant offline, you have to bring, if you are going to --

Mr. Bear. Depending on where it is, maybe 1.5 to 2.

Mr. Kinzinger. 1.57 to 2.

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Mr. Bear. Two megawatts for every one you retire.

Mr. Kinzinger. Okay. And as you may be aware, Vistra Energy is slated to close four coal plants in Illinois by the end of the year. This include the Hennepin Power Plant which is in my district, as well as plants in Coffeen, Havana, and Canton. It is my understanding your organization, the Midcontinent Independent System Operator, and PJM must approve these closures based on an analysis of whether they are needed for grid reliability.

Is that accurate, and can you explain further your role in this process?

Mr. Bear. So that is true. They submit a study to us or a request for us to study the retirement. We take a look at what impact is from a reliability standpoint on the grid and render them a decision. If it has reliability consequences, we ask them to wait until we can build a transmission line to solve the problem.

Mr. Kinzinger. And is that review currently underway, and how would closures like these affect reliability?

Mr. Bear. That review is complete and the closures would not affect reliability.

Mr. Kinzinger. Do you have a timeframe on that by chance?

Mr. Bear. The review was completed within the last two months.

Mr. Kinzinger. Not only am I concerned about reliability, I am concerned about two more things, job loss and stranded assets or really wasted assets. This closure means scores of my constituents without jobs. It also means we have a usable facility linked into the grid with no power being fed into it.

So, Mr. Matheson, given the reliability concerns, job loss, and wasted asset factors, shouldn't there be some sort of arrangement to convert these facilities to solar storage or some type of facility before forcing them offline?

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Mr. Matheson. I think you have got to think about all potential possibilities to mitigate the impact of stranded assets and the ones you -- those items you suggested shouldn't be on the list.

Mr. Kinzinger. And do you see any needs for policy changes on that front?

Mr. Matheson. Look, I think we haven't had Federal policy that is for stranded assets to this day. I am not sure there is a Federal role in that, but I do think the consideration of workforce impacts and community impacts on plant closures is something that we should all care about.

Mr. Kinzinger. Excellent. I will yield back, Mr. Chairman. Thank you.

Mr. Rush. The gentleman yields back.